Serial No. 10/673,451

ASA-1005-02

REMARKS

The Applicants request reconsideration of the rejection. Claims 9-14 are pending.

The Abstract has been amended as required by the Examiner.

As noted in the Preliminary Amendment submitted September 30, 2003, claim 1 was retained solely to obtain a filing date for this continuation application. Mindful of the Examiner's internal docket requiring action on the Preliminary Amendment within a specified time, the Applicants requested a telephone call from the Examiner if the application had come up for examination before the Examiner had received the new claims (Preliminary Amendment at page 4). Regrettably, no such telephone call was received by the Applicants' attorney, and thus the opportunity to speed the new claims into the Examiner's hands in time for action, was lost. Hence, this Reply replaces claim 1 with new claims 9-14.

The new claims are directed to a system which detects a forgery by retrieving information unique to a sheet (or electronic chip provided in the sheet, or a combination of the two) from a memory device using a unique number obtained from the electronic circuit chip provided in the sheet, and comparing the unique information with the information obtained Serial No. 10/673,451

ASA-1005-02

from the sheet. If the comparison yields a positive result, then the information is deemed authentic.

Claim 1 was deemed objectionable and rejected on various grounds, all of which have been rendered moot by its cancellation. However, the Applicants will distinguish the new claims from Hoshino, et al., US 5,601,931 (Hoshino), which was applied as a primary reference in a rejection of claim 1.

As noted, the invention as now claimed determines authenticity of information obtained from the sheet by comparing the information with "unique information" obtained from a memory device. Hoshino, on the other hand, verifies the authenticity of the carrier corresponding to the claimed sheet, but does not authenticate the information itself.

Indeed, the "information" obtained by Hoshino from the carrier is a distribution of magnetic particles in the carrier, embodied in a voltage pattern obtained by observing the effects of an externally-applied magnetic field on the magnetic particles. Assuming a unique distribution of the particles in the carrier, the particles effect a unique voltage pattern by inducing unique changes in current in a magnetoresistive device pair. Thus, the particles themselves, or their distribution, are not "information" that can be

Serial No. 10/673,451

ASA-1005-02

deemed authentic or not. It is the carrier whose authenticity is determined.

Furthermore, Hoshino digitizes and enciphers the voltage pattern derived from the carrier before adding the enciphered code back to the carrier. Because the invention authenticates information on the sheet, however, enciphering is not strictly necessary.

In view of the foregoing amendments and remarks, the Applicants request reconsideration of the rejection and allowance of the claims.

Respectfully submitted,

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